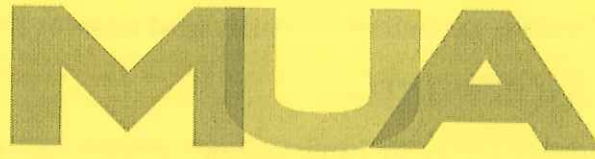


The
Management
University
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DIPLOMA UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DIPLOMA IN SUPPLY CHAIN MANAGEMENT

DSM 101: RETAIL AND MERCHANDISE MANAGEMENT

DATE: 9TH AUGUST 2018

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

AFRICAN EXPRESS LTD

African Express LTD, an international pharmacy with its headquarters in Kuwait intends to access the Kenya market. Besides dealing in pharmaceutical products, Africa Express LTD offers palliative, preventive and curative services. Before Africa Express sets its operations in the country, it has to consider the international risks involved, the logistical barriers and customs regulations and duties prevailing in Kenya. Considering the existence of government health facilities, private health facilities and non-governmental organizations in the industry, Africa Express LTD is likely to face fierce competition. Africa Express' LTD strategy of appearing unique in the health dominated industry is to provide Ebola Surveillance Equipment to help the government prevent the spread of Ebola to her citizens in the country. It is imperative for top management of Africa Express LTD to carry out research to enable it to enter the market and sustain competition. Noteworthy is a one-time statement by Africa express' director that it is not easy to market goods.

Required:

- a) African Express LTD Director once noted that it is not easy to market services as it is to market goods. Explain the characteristics of services that make them challenging to sell. (10 marks)
- b) Discuss the strategies that Africa Express can use to enter the foreign market. (10 marks)
- c) Explain the factors that Africa Express will have to consider as the major determinants of the promotion mix. (10 marks)

QUESTION TWO

The retail marketing function has undergone various evolution stages, and many theories have been put forward to explain this. Explain the three theories on evolution of retail marketing function. (10 marks)

QUESTION THREE

Product life cycle refers to the various stages through which a product undergoes throughout its life. Explain the application of the marketing mix at different stages of the product life cycle. (10 marks)

QUESTION FOUR

- a) "The best retail location is the one that generates the most traffic from the stores target markets." Describe the factors that need to be analyzed in retail location. (5 marks)
- b) State any five significance of retailing businesses. (5 marks)

QUESTION FIVE

Discuss the environmental factors that impact on the performance of retail business in East Africa (10 marks)

QUESTION SIX

- a) Explain any six types of stores that a retailer can choose from when locating his business. (6 marks)
- b) Identify the advantages of Franchising. (4 marks)

1. The first step in the process of identifying a problem is to define the problem. This involves identifying the symptoms of the problem and determining the scope of the problem. Once the problem has been defined, the next step is to identify the causes of the problem. This involves identifying the factors that are contributing to the problem and determining the relationships between these factors. Once the causes of the problem have been identified, the next step is to develop a plan of action. This involves identifying the steps that need to be taken to solve the problem and determining the resources that will be needed to implement the plan. Once a plan of action has been developed, the next step is to implement the plan. This involves carrying out the steps that have been identified in the plan and monitoring the progress of the implementation. Finally, the last step in the process is to evaluate the results of the implementation. This involves comparing the actual results with the expected results and determining the effectiveness of the implementation.

2. The second step in the process of identifying a problem is to identify the causes of the problem. This involves identifying the factors that are contributing to the problem and determining the relationships between these factors. Once the causes of the problem have been identified, the next step is to develop a plan of action. This involves identifying the steps that need to be taken to solve the problem and determining the resources that will be needed to implement the plan. Once a plan of action has been developed, the next step is to implement the plan. This involves carrying out the steps that have been identified in the plan and monitoring the progress of the implementation. Finally, the last step in the process is to evaluate the results of the implementation. This involves comparing the actual results with the expected results and determining the effectiveness of the implementation.

QUESTION FIVE

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